

Social Security bailout plan finalized

WASHINGTON (AP) — President Reagan, a bipartisan reform panel and congressional leaders agreed Saturday night on a seven-year, \$169 billion Social Security bailout plan. It calls for a speed-up in scheduled increases in the payroll tax, taxing benefits received by upper- and middle-income pensioners and a six-months delay in this July's cost-of-living increase.

It was the same deal outlined by sources during a day of negotiations between the White House and members of the special National Commission on Social Security Reform, with the addition of a ban on withdrawals from Social Security by state and local governments, a

move expected to save \$3 billion.

The agreement was reached on the last scheduled day of the commission's existence, a life already extended from Dec. 31 by President Reagan.

Three members of the 15-member commission dissented — Sen. William L. Armstrong, R-Colo., Rep. Bill Archer, R-Texas, and former Rep. Joe Waggoner, D-La. Sen. John Heinz, R-Pa., was absent.

Armstrong said it amounted to a "package of tax increases" and would do nothing to restore public faith in Social Security.

But supporters immediately hailed the commission's work.

A statement read by Kirk O'Donnell, an aide to House Speaker Thomas P. On'Neil Jr., D-Mass., said the commission adopted a "bipartisan agreement acceptable to the president and to me, one which I can support and which I will work for."

Tom Griscum, spokesman for Senate Majority Leader Howard Baker, R-Tenn., said in a statement read by aide Tom Griscum the pact justified his belief that "the great decisions of our time must be made in a bipartisan way."

House Republican Leader Robert H. Michel of Illinois issued a statement saying news of the compromise was "a relief." He added, "It was not until those

who chose to demagogue the issue fully realized the depth of the problem that any bipartisan solutions could be sought."

In a statement issued by the White House, President Reagan said, "Each of us recognizes that this is a compromise solution. As such, it includes elements which each of us could not support if they were not part of a bipartisan compromise."

"However, in the interest of solving the Social Security problem promptly, equitably and on a bipartisan basis, we have agreed to support and work for this bipartisan solution."

The commission's chairman, Alan

Greenspan, opened a news conference to describe the agreement with the commission. "All of us swallowed very hard," he said.

Though the package is designed to keep Social Security solvent through 1989, it would erase only about two-thirds of the system's expected red ink over the next 75 years — estimated at about \$1.6 trillion.

Already the Social Security trust fund handling pension checks has been forced to borrow money twice from the relatively more flush funds handling disability payments and Medicare. The pension account would run out of money by July without further borrowing, new revenue or benefit reductions.

The negotiations scrapped a plan to slightly increase the penalties for early retirement but kept a provision to gradually increase the benefits for those who work beyond age 65. Greenspan said some members wanted to gradually increase the retirement age from 65.

At the White House, the president is said an executive order extending the life of the commission until Thursday to give the panel's staff its complete report.

White House spokesman Larry Speakes said the administration considered the commission's 12.5 vote, a decisive agreement.

BRIEFLY

Weather

High today in mid 50s

Today, fair and cold. High in the mid 50s. Light and variable winds. Tonight and Monday, fair and continued cold. Low in the upper 20s. High in the mid 50s. For more weather see Page 2A.

Inside

Present bond law fair

The present utility bond law is fair to both utilities and consumers, says Forest Persons, district manager for Mississippi Power & Light Co., in today's Top of the Morning on Page 4A.

All-Area team named

Ferriday's Nathaniel Williams, player of the year, and Wilkinson County Christian Academy's Yester Newcomb, coach of the year, head The Democrat's 1982 All-Area football team. See Page 1B.

Building an art form

For Joan and Roy Sather, building houses is more than bricks and mortar. They make it an art form. See Page 1D.

Local

River drops below flood stage

The Mississippi River dropped below the 48-foot flood stage in Natchez Saturday, settling at 47.8 feet. The river dropped six-tenths of a foot from Friday's reading of 48.4.

Fire alarm down

The Natchez Fire Department responded to a fire alarm at the Callon Building in downtown Natchez Saturday afternoon. However, there was no fire found, a fire department spokesman said.

Red Cross seeks donations

The Natchez Chapter of the American Red Cross is asking for donations of shelter, furniture and household items for a family that lost their home and possessions in a fire this week in the county. Mrs. Mary Carter and her four children lost their house and all it contained. Persons wishing to help, may contact Mrs. Bailey at the Natchez Red Cross office.

Mississippi

Florence man jailed

A Florence man has been jailed for driving under the influence in connection with Mississippi's first reported traffic fatality of the weekend, police said.

Jackson Police Sgt. Perry Martin said James D. Madden, 54, of Forest, was killed Friday night as he crossed a Jackson street.

Louisiana

Political feud continues

The Alexandria City Council met briefly Saturday to continue its feud with Mayor John K. Snyder, overturning his veto of an emergency ordinance ordering city attorneys to stop fighting council orders.

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Going, going, gone

Miss-Lou shoppers took advantage of Woolco's last day of business Saturday to buy what was left of the store's inventory. Store manager Wayne Dugger said that by 6 p.m. all merchandise was sold. The last 77 employees, down from the usual workforce of 115, are out of work as of today. All 336 Woolco stores nationwide were closed by the chain's parent

company, F.W. Woolworth. (Democrat photo by Mike Willey)

Daily survival not easy

Flood victims face obstacles

By RICK E. TUBBS
Democrat Staff Writer

Hundreds of Catahoula Parish residents, and some in Concordia Parish, remain away from home this week waiting for flood waters to recede. For some the flood has been a slight inconvenience. For others it has been, and still is, a serious matter of day-to-day survival.

Jessie Evans, a resident of Concordia Parish living on the banks of the Black River just outside of Jonesville, has been one of the lucky ones. His home was not flooded, but came very close to getting wet.

"The water came to within five inches of getting into the house. But the water is falling now and it looks like we are going to make it," Evans said.

The biggest problem for Evans has been economical. He is a fur dealer and business is off because of the high water.

"If (the flood) has really shut the trapping down. But, it's nothing we can't live with. The water should be back to its banks in three or four weeks, if we don't get any more rain. Things will get better," he said.

Evans' neighbors weren't so lucky. Mr. and Mrs. Richard Gerald were forced to move in with relatives near Jonesville. Mr. and Mrs. Henry Spann moved in with their daughter, who lives less than a mile away, but across the levee from the swollen Black River.



Displaced

Mr. and Mrs. Michael Wiley, far right, are living in this school bus converted into a camper while access to their home is blocked by flood waters. William Adams,

his wife, daughter and grandson, from left, have been forced to live in an abandoned slaughterhouse. (Democrat photo by Rick E. Tubbs)

Spann's daughter, Judy Cotten, said the situation is little more than an inconvenience. The Spanns have lived on Black River all their lives and are accustomed to being flood conditioned.

The Cottens' three-bedroom home provides enough room for both families, which totals four adults and two teenagers. A nephew staying with the Cottens brings the total in the home to seven people, but they have managed to get by in a crowded situation.

It has been better than during the floods of 1973 and 1975 when the Spanns were forced to buy mobile homes when their house took on water.

The situation is worse for the Wiley and Adams families of Larto Lake. They are among the several families living

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AN ANALYSIS Budget is political hot potato

WASHINGTON (AP) — President Reagan is showing he can be flexible and help get the government's wild budget deficits under control. But no matter which way he bends, he faces political trouble.

In the past two weeks, the president, at his top aides have proposed to do things Reagan once said he would never do: cut the defense budget, raise general taxes, speed up Social Security tax increases and pursue an economic policy calling for unusually slow growth.

The president's shift has come in response to pleas from close personal aides and political allies that he steer away from a budget course headed for deficits of at least \$200 billion a year from now and into the future.

But each change seems to provoke new problems for each one it resolves, and some items in the emerging budget plan the president must send Congress in two weeks seem sure to displease everyone: from liberal Democrats to conservative Republicans.

The deficit: The red ink for the fiscal year beginning next Oct. 1 will be the largest ever proposed by a president, some where between \$180 billion and \$200 billion, the administration concedes.

Although the red ink projection will be lower than some economists had feared, its size is still worrisome and a political disappointment to Republicans who remember this was supposed to be the year Reagan would produce a balanced budget.

The Pentagon: Reagan has agreed to trim \$8 billion from his record spending plans for the Defense Department in 1984. The 3 percent cut, from an original budget of \$247 billion, had been revised up until the end of Defense Secretary Caspar Weinberger. And it will dovetail well with the Pentagon's brass, which is upset that the reduction would be achieved in part by a freeze on military pay.

But many members of Congress — and even some White House budget officials — are angry because they contend Reagan's

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Warehouse ownership subject of 1980 probe

By SUSAN WILLEY
Democrat Staff Writer

District Health Administrator Harold C. Neal of McComb was the subject of a state Health Department investigation two years ago, said Dr. Alton Cobb, state health officer.

The investigation was a result of complaints charging Neal with violation of departmental policy in connection with a lease agreement with a federally funded program in his district.

The complaint alleged Neal's involvement with the ownership of a warehouse building in McComb, leased to the federally funded Women, Infant and Children's nutrition program, was a violation of health department policy. As district administrator, Neal oversees the district's WIC program.

Neal, reached by telephone at his home in Summit, referred all questions to Nancy Kay Sullivan, public relations director for the Department of Health.

"The only comment I will make is that you will have to get your comments from Nancy Kay Sullivan in Jackson," Neal said.

When asked if he had any statements to make concerning the ownership of the building, Neal said, "None whatsoever."

Cobb said his investigation showed no conflict of interest despite the partial ownership of the WIC warehouse by Neal's wife, Ann Neal. The building has since been sold to another company, Cobb said.

"We don't allow our people to have contractual agreements with any building, but the title was in his wife's name," Cobb said.

When asked whether the close relationship between husband and wife made any difference in the departmental policy, Cobb said, "We brought this to his (Neal's) attention and asked him to remove himself (as owner of the building)."

When asked if The Democrat could get a copy of that investigation report, Cobb said it would be up to the Health Department's attorney, Helen Wetherbee.

"It may not be an open record," Cobb said.

Ms. Wetherbee said she was not with the department at the time of the investigation, but upon checking found there was no official report written. The investigation was conducted in 1980, she said.

Neal is presently under investigation by the state Department of Health on another allegation of violating health department policies, in this instance allegations of tampering

with state job applications for a WIC warehouse manager's job in Adams County.

Former Adams County Health Department employees have charged Neal ordered applications to be sent to him at his McComb office, yet no applications from Adams County were ever sent to the state Personnel Board as departmental policy dictates.

Cobb said a report on the personnel investigation has been turned in to him, but no decision has been made on whether to continue the probe and call for a formal hearing. Cobb said he has conferred with members of the Board of Health on the matter, but the final decision will rest with him.

"I have to seriously think about it," Cobb said. A decision could be made sometime this week, he said.

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